

AQO

MEMORANDUM FOR RECORD

SUBJECT: AQO Staff Meeting Minutes, Apr 22, 97

SUSPENSE SYSTEM SOP. Standard Operating Procedures for the new suspense system were passed out to team chiefs. Team chiefs should ensure that all team members are provided a copy.

PRODUCT DESIGN, DEVELOPMENT & CONTROL TEAM (AQOF).

- o Software Center: The Job Opportunity Announcement (JOA) is on the street and will close on 5 May. Six positions are open to be located in Boston. Anticipate Jul 97 operational date for Center.

- o Earned Value Management Center: GS-13/14 Center PDs complete, currently in classification process, expect approval (including high grade approval) in early May. JOAs/KSAs being prepared; expect positions to be announced DoD-wide in mid-May. Col Harper is working the O-5 center leader position. Anticipate the EVM Center to be operational in August 1997 at DCMDW.

- o Gen Drewes signed out memorandum last week formally initiating 6 regional, 2 day DCMC EVM Mini-Conferences. Attendance is mandatory for all Contract Performance Management (CPM) monitors. CAO Commanders are required to attend on the first day of conference. CPM monitors will attend a 3 day formal training session during the week of mini-conferences on recently distributed Cost/Schedule Performance Analysis software.

- o On 11 April, 1997, DCMC received the National Performance Review's Hammer Award for our Acquisition Reform initiatives in seeking Industry improvements/effective implementation of Earned Value Management Systems (EVMS). This award formally recognizes the outstanding contributions of the following individuals:
Mrs. Karen Whitmore - DCMC Boeing Seattle
Capt. Madeleine Ederson - DCMC Lockheed Martin Sunnyvale
Mrs. Karen Urschel - DCMC Hughes Ft. Wayne
Mr. Warren Downer - DCMC Raytheon Wichita
Mr. Barry Schuler - DCMC Lockheed Martin Delaware Valley
Mrs. Gayle Brooks - DCMD West
Mr. Kevin Kane - DCMC Headquarters
Col Barry Harper - DCMC Headquarters
Congratulations to all.

- o Gen Drewes provided the Performance Management Association's annual conference keynote address. The presentation is available on the World Wide Web OSD Earned Value Management home page (URL = <http://www.acq.osd.mil/pm>) under the "What's New" section. Gen Drewes also formally recognized the outstanding performance of Mr. Dominic "Chip" Thomas from DCMC Boeing Rocketdyne. Mr. Thomas was the recent recipient of the NASA "Shuttle Launch Award" for his efforts in working with Rocketdyne, NASA, & DoD personnel to establish an effective single EVMS process at Rocketdyne. Congratulations to Chip.

- o We sent a Statement Of Work to DASC-C, Office of Contracting, for the Systems Engineering Capability Maturity Model (SE CMM) courses. Expect contract to be let for the SE CMM training in time for two offerings this summer.

- o Life Cycle Cost Reduction Award Committee Meeting--Held the kickoff meeting Apr 15th. This second annual award will be for "outstanding, innovative practices, or proposals currently in process, which contribute to improving the logistics support system and reduce life cycle costs of either a new or fielded system." The committee has representation from both the logistics and acquisition communities. DLA has two representatives, Ms. Mary Hart and Mr. Mike Ferraro. Call for nominations will be May 1st.

OVERHEAD CENTER (DCMDI-C).

- o The OHC conducted 23 interviews this week for the three 1102 openings. We hope to have the positions all filled by the end of May--including a new actuary.

SINGLE PROCESS INITIATIVE (SPI) TEAM.

- o Marialane Schultz has been working with personnel from OSD and the Defense Acquisition Regulatory Council on solutions to facilitate contractors' use of government accepted SPI processes on future procurement actions. A proposed Defense Federal Acquisition Regulation Supplement (DFARS) Case has been drafted along with a proposed policy memo for DKaminski's signature. We expect that both the memo and the proposed DFARS Case will be dispositioned expeditiously.

- o Marialane Schultz met with BillLewandowski, Vice President, Aerospace Industries Association (AIA), regarding AIA's formation of a Supplier Management Council. The Council will have its first meeting sometime this summer and will work on issues affecting the relationship between prime contractors and suppliers, such as the shift to non-Government standards and performance specifications and the use supplier auditing and rating systems. The SPI team has also been working issues between primes and suppliers as these have impeded our progress in SPI implementation. Mr.Lewandowski expressed interest in attending a future Block Change Management Team meeting to discuss the Supplier Management Council.

- o Paula Metcalf and Al Kelly attended the third meeting of the Process Targeting IPT on April 22. The IPT has members from the Services, DCAA, NASA, and FAA; in addition, the DCMC Industrial Analysis Support Office is assisting the team with data collection and analysis. The Team's goal is to target highpayback processes in an industry sector and use this information to increase contractor participation in SPI. The IPT has chosen Electronics/Communications as the prototype sector and has further narrowed its focus to the Navigation/Radar subsector to begin its analysis. Team members are collecting sub-sector data in preparation for the next meeting on April 30.

- o DCMC Policy Memo 97-45, Reviews of Contractor Operations (POLICY), was signed Maj Gen Drewes on April 22, 1997 and will be available on the DCMC Home Page shortly. The memo encouragesACOs to seek input from Management Councils on decisions to perform various reviews of contractor operations such as materiel management and accounting systems, purchasing, insurance and pension, cost estimating, overhead should cost, and property control.

- o Maj SteveLatsis and BarbaraRiley conducted a meeting with Service Representatives on April 17 in an effort to reduce the number of overage concept papers (those exceeding the 120-day processing goal). This effort involved reviewing, prioritizing, and assigning responsibility for 79 overage concept papers. The Districts provided valuable input into this effort_thanks to JackSheehan, DCMDE; Minerva Blanco, DCMDI; and Harvey Person, DCMDW.

- o The SPI Team conducted a VTC with the Districts on April 21. TheseVTCs are held regularly every 2-3 weeks so we can exchange information and share ideas with the Districts. DCAA provided a briefing on Cost Savings and Cost Avoidance and each District provided information on the status of overage concept papers and their recent SPI marketing efforts. These regularVTCs are enabling HQ and the Districts to function better as a team to implement SPI.

- o Dave Robertson is working with DavidEck, DCAA and Ric Sylvester and Bill Mounts, ODUSD(AR), on a pilot plant program called the Defense Facility-Wide Program which will allow statutory relief and move designated plants toward 100% commercial practices. The legislation that established the pilot program limits it to two participants. The goal of this program is to determine the potential for increasing the efficiency and effectiveness of the acquisition process by using commercial practices on a facility-wide basis. During the week of April 8, the group visited four plants that had expressed an interest in the pilot program_Lockheed Martin Tactical Aircraft Systems, Ft. Worth, TX; Allied Signal Engines, Phoenix, AZ; Rockwell Collins, Avionics and Communications,

Cedar Rapids, IA; and Allied Signal Commercial Avionics Systems, Kansas City, KS. Based on the results, OUSD(AR) intends to propose a joint regulatory pilot plant program that will empower joint contractor/buying activity/DCMC/DCAA Management Councils to approve contractor proposed concepts affected by regulation and implement approved concepts through the use of block changes. Many details of the program are yet to be worked out and the SPI team will work with ODUSD(AR) in developing the pilot plant implementation approach.

APPROVED:

ROBERT W. SCHMITT
Deputy Executive Director
Contract Management Policy